

Issue Brief – Leases

OFFICE OF RECOVERY SERVICES

NUMBER DHS-07-16

LEASES

The Office of Recovery Services (ORS) is requesting an appropriation of \$125,900 with \$26,100 from General Funds, \$93,600 from federal funds and \$6,200 from federal Medicaid funds for FY 2007 of \$26,100 and a supplemental appropriation of \$74,800 with \$15,500 from General Funds, \$55,600 from federal funds and \$3,700 from federal Medicaid funds for FY 2006 for lease increases for three facilities.

OBJECTIVE

Funding of the lease increases would allow ORS to maintain the current level of operations.

DISCUSSION AND ANALYSIS

The Division of Facilities and Construction Management (DFCM) negotiated the renewal of three leases for ORS. The following table shows the change in leases costs (note: there was no change in the square footage):

Office of Recovery Services Lease Increases						
		FY 2005	FY 2006	FY 06		FY 2007
	Sq. FT.	Rate	Rate	Supplemental Appropriation	FY 2007 Rate	Appropriation
Layton	9,333	\$130,755	\$157,354	\$26,700	\$161,741	\$31,000
Salt Lake City HK	93,600	1,614,600	1,661,400	46,800	1,708,200	93,600
Richfield	2,782	38,978	40,309	1,300	40,309	1,300
Total	105,715	\$1,784,333	\$1,859,063	\$74,800	\$1,910,250	\$125,900

RECOMMENDATION

It is the recommendation of the Analyst that funding in the amount of \$125,900 be appropriated for FY 2007 and a supplemental appropriation of \$74,800 for FY 2006 with the plan of financing as shown in the table to the right:

ORS Lease Increases by Funding Source		
	FY 2006	FY 2007
General Fund	\$15,500	\$26,100
Federal Funds	55,600	93,600
Medicaid Title XIX	3,700	6,200
Total	\$74,800	\$125,900